(b) if so, whether necessary provision has been made in the budget for the year;

(c) if not, the major schemes/works which will have to be shelved to meet the expenditure; and

(d) its effect on inflation and rising prices?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (d) Although, on account of its recommendations, the Sixth Central Pay Commission's Report mentions an additional financial implication of Rs. 12,561 crore for the year in which they are implemented, the obligations and its effect will become clear only after Government has taken a decision on the recommendations. Thereafter, necessary provision can be made through the Supplementary Demand for Grants during the course of 2008-09. No major schemes/works would need to be shelved to meet this expenditure.

Mis-selling of Products by Mutual Funds

3767. SHRI C. RAMACHANDRAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether the Securities and Exchange Board of India (SEBI) has been receiving complaints from the investors about mis-selling of products by mutual funds particularly, the derivative products;

(b) if so, whether any measures have been taken to make the Mutual Funds develop and follow self-regulations in this regard;

(c) if so, the details thereof and the outcome noticed so far, mutual fund-wise; and

(d) if not, the reasons for not stopping the mis-selling of products which is rampant in the market?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Securities and Exchange Board of India (SEBI) has not received any complaints from the investors about mis-selling of products by mutual funds particularly, the derivative products.

(b) to (d) SEBI guidelines require that mutual funds should monitor activities of their agents/distributors to ensure that they do not indulge in any kind of malpractice or unethical practice while selling/marketing mutual fund units. SEBI has made it mandatory for all personnel of mutual funds engaged in sales and marketing and their distributors to pass a certification exam. conducted by the Association of Mutual Funds in India (AMFI).

Credit advanced by banks to agriculture sector

3768. SHRI SYED AZEEZ PASHA:
SHRI D. RAJA:

Will the Minister of FINANCE be pleased to state:

(a) what is the statutory percentage of credit that the banks are supposed to give to the agriculture sector and the details of the credit disbursed by various public sector banks to the agriculture sector during the year 2007-08.

(b) whether this obligation is applicable to the foreign banks also; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) As per guidelines of Reserve Bank of India on priority sector lending programme, the domestic commercial banks are required to lend 18% of their Adjusted Net Bank Credit (ANBC) or credit equivalent amount of Off-Balance Sheet Exposure to agriculture sector. As per provisional figures, as on 29.02.2008, during the year 2007-08, the public sector banks have disbursed Rs. 1,01,889.32 crore to agriculture sector.

(b) and (c) No, Sir. The foreign banks, operating in India, are required to lend 32% of their ANBC or credit equivalent amount of Off-Balance Sheet Exposure, whichever is higher, to priority sector. However, there is no target stipulated for agriculture sector, keeping in view the fact that the foreign banks have no rural branch network.

Sixth Pay Commission

3769. SHRI S.S. AHLUWALIA: Will the Minister of FINANCE be pleased to state:

(a) whether Government has received the report and recommendations from the Sixth Pay Commission;

(b) if so, the salient anomalies detected, if any, in its recommendations;

(c) whether it is a fact that chiefs of three wings of Indian Armed Forces called on Government and personally registered their disappointment against the recommendations made by the Commission pertaining to members of Defence Services;

(d) if so, brief details of the points of their resentment;

(e) whether the same are being addressed to by Government;

(f) if so, the details thereof; and

(g) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Yes, Sir.

(b) The recommendations of the Sixth Central Pay Commission are under examination of the Government.

(c) and (d) The Chiefs of the Staff Committee comprising three Service Chiefs submitted a Joint Services Memorandum on recommendations of the Sixth Central Pay Commission which contains 14 issues pertaining to pay scales, Military Service Pay, pension, gratuity, etc.

(e) to (g) The same are under examination of the Government.

Honours for highest income-tax payers

3770. SHRI SHANTARAM LAXMAN NAIK: Will the Minister of FINANCE be pleased to state:

(a) whether the highest income tax payers in the country are honoured or given any awards;